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FOR IMMEDIATE RELEASE:

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AGENCIES COMPLETE ENVIRONMENTAL ASSESSMENT

MILES CITY – The Bureau of Land Management (BLM) Miles City Field Office, in cooperation with the Montana Board of Oil & Gas Conservation (MBOGC) and the Montana Department of Environmental Quality (MDEQ) have completed an environmental assessment on the Powder River Gas Company's applications to drill 16 exploratory coal bed natural gas wells.

The environmental assessment also supported the issuing of a water discharge permit by MDEQ. Each of the three agencies involved in preparing the environmental assessment has issued its own Decision Record.

Powder River Gas Company plans to drill 16 exploratory wells approximately 10 miles northeast of Decker, on the west side of the Tongue River to determine if commercial quantities of gas occur in that area of the Powder River Basin. The exploratory project also includes treating the produced water at a central facility before the water is discharged into the Tongue River under a permit approved by the MDEQ.

Drilling operations are expected to take 3 days at each well, but the testing phase may last up to six months as approved by the BLM and the MBOGC. Following completion of the testing phase,

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the wells will either be plugged and abandoned or secured in a shut-in status if commercial quantities of gas are found.

Before any production activities could occur, Powder River Gas will have to submit project plans addressing gas production to the BLM and the MBOGC for approval. At that time, another environmental analysis would be conducted by the BLM and the MBOGC for any proposed production operations.

A complete copy of the environmental assessment will be available later this week on the web at: www.mt.blm.gov/mcfo, with state issued permits and information at: www.deq.state.mt.us/wqinfo and at www.bogc.dnrc.state.mt.us/CoalBedMeth.

Additional questions may be referred to BLM Mineral Resource Specialist David Breisch at (406)233-3645, MDEQ water permit specialist Tom Reid at (406)444-4969, or MBOGC Administrator Tom Richmond at (406)657-0040.

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